

# Southwest TENNESSEE

REGIONAL STRATEGIC PLAN



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## Southwest Tennessee



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*Chester, Decatur, Hardeman, Hardin,  
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### EXECUTIVE SUMMARY

Gov. Bill Haslam's top priority is making Tennessee the No. 1 location in the Southeast for high-quality jobs. In April 2011, Governor Haslam released his Jobs4TN plan, which laid out four key strategies for achieving this ambitious goal. The four strategies are (1) prioritizing business development efforts in six key clusters in which the state has a competitive advantage; (2) reducing business regulation; (3) investing in innovation; and (4) establishing regional "jobs base camps" in each of nine regions across the state. Southwest Tennessee is one of those nine regions.

In developing this economic development strategic plan for Southwest Tennessee, ECD's regional staff met with economic development partners from across the region to understand the role and priorities of each organization and to gather advice on what the key economic development priorities for the region should be. The partners included local chambers of

commerce, local and regional economic development professionals, elected officials, USDA Rural Development, Southwest Tennessee Development District, West Tennessee Industrial Association, Tennessee Valley Authority, Workforce Investment Board Area 11, Tennessee Career Centers, Tennessee Technology Centers, community colleges and four-year universities.

Southwest Tennessee is working to recruit new industries to the region to produce higher-skilled, higher-paying jobs. The region will specifically focus on four targeted business sectors: food processing, automotive suppliers, customer call centers, and distribution and logistical services. To support these recruitment efforts, the region will identify area sites well suited for each of these sectors, and work with state and regional partners to train local economic development officials in emerging best practices in economic development.

Recognizing that more than 86 percent of new jobs are created by existing companies, ECD will work with local chambers of commerce and economic development professionals to systematically reach out to existing businesses in the region to determine the needs of existing businesses and identify potential expansion projects. In addition, ECD will work to identify opportunities for supplier recruitment.

New initiatives such as the Digital Factory in Decatur County and the Center for Entrepreneurship in Jackson are providing opportunities for entrepreneurs in the region to start and grow their businesses. ECD's regional staff will partner with local organizations to build public-private partnerships to support the establishment and sustainability of a regional entrepreneurial accelerator and incubator as well as to support the expansion of the Digital Factory concept throughout the region.

The region has also identified a skilled

workforce as a top priority for both relocating companies and existing businesses. Regional ECD staff will work with its partners to facilitate a pipeline of workers for the region's target market sectors by determining the skills needed within each sector, identifying specific programs that can help equip workers with those skills, and linking companies to those resources.

## REGIONAL OVERVIEW

The Southwest region is comprised of eight primarily rural counties with a total population of 253,092. With the exception of Hardeman and Haywood counties, every county in the region has experienced slight population growth over the past decade. Madison County boasts the region's largest population with 98,000 citizens. Of the Southwest population ages 25 to 64, 16 percent have a bachelor's degree or higher, and all counties in the region lag behind the state average in per capita income.

The region is heavily influenced by the manufacturing sector, which accounts for 21 percent of all employment. The health care and social services sector represents 17.7 percent of all employment in the region, and 22.5 percent of all employment in Madison County. Retail trade accounts for 13.5 percent of the region's employment, with education services accounting for an additional 10.7 percent. Southwest Tennessee's manufacturing sector is very diverse, ranging from food processing and metal working to automotive suppliers and plastics processing.

Southwest Tennessee is home to six Tennessee Technology Centers, six four-year universities, five general aviation airports, and four railroads. Interstate 40, a key east-west transportation artery, travels through four of the eight counties in the region, while four-lane highways connect the remaining counties to I-40.

The eight counties that make up the Southwest region are described below.

**Chester County:** Chester County is home to Freed-Hardeman University, a four-year private liberal arts university with an enrollment of 2,000 students, which is also the county's largest employer. Chester County also has a newly-constructed Technology Center which is partnering with Arvin Sango, the county's newest manufacturer. Japanese-owned Arvin Sango produces exhaust systems for the Toyota facility in Blue Springs, Miss., and chose Chester County because of its proximity and easy access to Toyota Mississippi.

**Decatur County:** Begun in 1999, the county's Ayers Foundation Scholars Program was one of the first programs in Tennessee to offer free postsecondary education to every student graduating from the county high school. The Foundation's goal of seeing at least 75 percent of high school graduates continue their education has been exceeded each year since the program's inception. Since

the opening of the University of Martin-Parsons Campus, students now do not have to travel outside of the county for higher education.

**Hardeman County:** Hardeman County is the nation's leader in hardwood saw log production for the commercial and residential hardwood floorings and furniture markets. As a result, the county serves as the gateway community for the supply of raw materials for this industry within the southeastern United States.

**Hardin County:** Hardin County is home to several market share leaders in their respective industries including Packaging Corporation of America and Clayton Mobile Homes. Heavily driven by tourism, the county enjoys around two million annual visitors to Shiloh National Military Park and Pickwick Lake. Because of such heavy traffic, Hardin County has many retail and downtown amenities that one won't find in other communities of its size. Hardin County has one of only three satellite campuses of Jackson State Community College.

**Haywood County:** Home to the premier megasite in the Southeastern United States, Haywood County is within 50 road miles of 10 four-year colleges, six two-year institutions, and six technology centers, the 1,741 megasite is owned by the State of Tennessee. This site provides an opportunity to recruit a very large, top-tier manufacturer to the region.

**Henderson County:** Boasting a vibrant manufacturing base, Harding County is home to companies such as Leroy Somer, Volvo-Penta, Columbus McKinnon an Auto Zone distribution center. Adjacent to I-40, the community is working to develop its prospective sites by creating a virtual speculative building program. A satellite campus of Jackson State Community College and a Tennessee Technology Center offer venues for education and training.

**Madison County:** Madison County's largest employer is West Tennessee Healthcare, which has recently been ranked by *Modern Healthcare* as one of the top 10 largest public, not-for-profit healthcare systems in the United States. In addition to being the hub of the Southwest region, Madison County was one of the first communities in the United States to offer fiber-to-the-home services. The city is home to the Jackson Generals (a AA affiliate of the Seattle Mariners) and the Jackson Symphony.

**McNairy County:** McNairy County is home to *Adamsville High School*, rated one of the top 100 schools in America by U.S. News and World Report. Monogram Refrigeration in Selmer is one of the most efficient plants in General Electric's portfolio and recently received a \$32 million investment for the engineering and development of a new energy efficient refrigerator.



# SOUTHWEST TENNESSEE *AT A GLANCE*

	Population 2010	Median Age 2005-2009	HS Graduate or Higher % Population aged 25+	Bachelor's or Higher % Population aged 25+	Labor Force (Oct. 2011)	Available Labor (Oct. 2011)	Unemployment Rate (Oct. 2011)	Average Private Sector Annual Income (2010)	Nearest Public Riverport (in miles from county seat)	Nearest Commercial Airport (in miles from county seat)	Nearest Interstate (in miles from county seat)
<b>SOUTHWEST TN</b>	<b>253,092</b>	<b>38.1</b>	<b>77.4%</b>	<b>16.2%</b>	<b>117,260</b>	<b>13,500</b>	<b>10.3%</b>	<b>\$34,797</b>	New Johnsonville, Yellow Creek and Caruthersville	McKellar Sipes Regional	I-40
<b>Chester</b>	17,131	36.8	75.3%	14.2%	7,840	760	8.8%	\$29,631	Yellow Creek - 52 miles	McKellar Sipes Regional - 24 miles	22 miles to access I-40
<b>Decatur</b>	11,757	43.8	71.6%	8.8%	5,650	680	10.8%	\$34,287	New Johnsonville - 42 miles	McKellar Sipes Regional - 56 miles	Direct access to I-40
<b>Hardeman</b>	27,253	38.3	69.3%	10.9%	11,140	1,540	12.4%	\$36,288	Yellow Creek - 56 miles	McKellar Sipes Regional - 32 miles	26 miles to access I-40
<b>Hardin</b>	26,026	42.0	72.1%	10.0%	12,080	1,320	9.9%	\$36,529	Yellow Creek - 19 miles	McKellar Sipes Regional - 59 miles	45 miles to access I-40
<b>Haywood</b>	18,787	37.6	73.7%	12.8%	9,010	1,290	12.7%	\$40,244	Caruthersville - 63 miles	McKellar Sipes Regional - 21 miles	Direct access to I-40
<b>Henderson</b>	27,769	38.8	76.2%	10.9%	11,770	1,610	12.2%	\$31,795	New Johnsonville - 50 miles	McKellar Sipes Regional - 35 miles	Direct access to I-40
<b>Madison</b>	98,294	35.7	83.6%	24.4%	48,900	5,120	9.3%	\$36,253	New Johnsonville - 71 miles	McKellar-Sipes Regional - 6 miles	Direct access to I-40
<b>McNairy</b>	26,075	41.1	76.1%	9.7%	10,870	1,180	9.9%	\$28,919	Yellow Creek - 31 miles	McKellar-Sipes Regional - 35 miles	41 miles to access I-40

Source: U.S. Census Bureau, US Bureau of Labor Statistics, Tennessee Department of Labor and Workforce Development

## REGIONAL STRATEGIES

### Recruitment

To ensure the growth of its economy, Southwest Tennessee recognizes that it must focus on recruiting businesses that will provide high-quality jobs for the region's residents. The region's recruitment efforts will focus on four targeted sectors in which the region has a competitive advantage: food processing, automotive suppliers, customer call centers (with a focus on health care), and distribution and logistical services (with a focus on internet fulfillment centers).

Food processing is both a growing and somewhat recession proof sector. As many restaurants suffered and closed during the past three years, food manufacturers did well as people ate at home more. Thus, it is not surprising that even during the recession there was unprecedented growth at Pinnacle Foods in Jackson, which manufactures frozen pizzas and eat-at-home breakfast products. Second, the region has an existing base of food processing and nearly 30 percent of the workforce is employed in the manufacturing sector. This well-trained set of employees provides an existing base of workers for future food processing operations in the region. Third, Southwest Tennessee draws its water supply from an underground aquifer known as the Memphis Aquifer. This natural reservoir lies hundreds of feet below the surface and provides limitless clear, odorless and fresh-tasting water. Since many food processors rely on an abundant supply of high-quality water, Southwest Tennessee is inherently a quality location for food processors to locate. Finally, the region benefits from its central geographical position close to I-40, rail and air service, and reliable electricity provided by the Tennessee Valley Authority.

The automotive supplier sector was selected due to the region's central location within 300 miles of nine automotive OEM facilities. Toyota's presence in Blue Springs, Miss., provides an opportunity to recruit Corolla suppliers to the region, as already witnessed by Arvin Sango's decision to locate in Chester County. Tennessee's right-to-work laws also create significant competitive advantages in this sector.

Customer call centers are attractive prospects throughout Southwest Tennessee, especially in the more rural areas of the region. Many of these rural population centers have the telecommunications and broadband infrastructure to support this industry, and the workers in these areas are willing to work for competitive

wages. Additionally, the region is located in the central time zone, which gives easier service to other time zones. Within the call center industry, the region will develop a specific focus on health care call centers. Propelled by recent legislative reform and an aging population, health care call centers are growing and can be easily supported in the region since educational training in business administration, nursing, pharmacy and computer information systems is readily available.

Distribution and logistics services is a natural sector due to the region's proximity to FedEx's hub in Memphis and UPS's hub in Louisville. The availability of distribution and warehouse space in the region is plentiful at very competitive lease rates. Southwest Tennessee also has an appropriately trained workforce to compete in this sector.

As part of this initiative, ECD's and TVA's regional staffs will work to ensure that ECD's project managers and TVA's target market specialists are aware of the region's assets to support the targeted sectors. This will in part be accomplished by partnering with regional and local economic development partners to host a tour for ECD's project managers and TVA's target market specialists of the region to showcase the region's potential sites. In addition, the regional and local economic development partners will work to keep the inventory database up-to-date and utilize newsletters from partnering agencies such as ECD, WTIA and SWTDD to communicate opportunities for companies in these targeted sectors to locate or expand in the region. In addition, there will be a focused marketing strategy for the Megasite through mediums such as interstate signage and a dedicated website that is currently under construction by the Jackson Regional Partnership.

Local and regional economic developers identified a need for ongoing training and assistance with establishing best practices. This will be accomplished through a series of training sessions at venues such as WTIA Allies meetings, Jackson State Economic Summit and the Jackson Regional Partnership meetings. ECD and TVA's regional staff will work with these partners to ensure that they offer a range of training opportunities that are complementary to one another.

### Existing Business Outreach

Since 86 percent of new jobs are created by existing businesses, an

outreach program designed to assist local economic development organizations in assessing the needs and opportunities of existing businesses is critical. A proactive existing business outreach program will allow regional and local economic developers to more quickly respond to the opportunities and challenges facing existing businesses.

ECD is partnering with local chambers of commerce and local economic developers to visit existing businesses. ECD and its partners will meet with the largest employers in the region. In addition, ECD is developing close relationships with local utility providers, who many times hear information about a company's expansion or downsizing opportunity well before ECD does.

ECD is also acting as a conduit to connect existing businesses with all available resources, programs and services. This is being accomplished by ECD regional staff staying apprised of resources available through federal, state, and local partners such as USDA Rural Development, the Tennessee Department of Revenue, the local workforce investment board, the local career centers, higher education institutions and TVA.

ECD will partner with local chambers of commerce and regional organizations, such as TVA, SWTDD and WTIA, to support manufacturing roundtable events. The partners will use visits by the Governor, the ECD Commissioner and other key federal and state officials to provide opportunities to convene existing business leaders.

## **Innovation**

Southwest Tennessee has been a fertile ground for many entrepreneurs over the last several decades. Many companies in the region are home-grown including Henco Showroom, Masco Bath (formerly AquaGlass), Jones Lumber, Flozone, American Meat Equipment, Jones Exhaust and Raney Truss.

Digital Factories, which have already come into existence in Decatur County through the REDI Program, are training programs that help individuals develop the technical skills they need to be entrepreneurs and work-at-home professionals in the customer service and IT sectors. ECD's regional staff will work closely with its partners to help expand digital

factories in the region as the digital factory model develops a strong track record.

ECD is working closely with the Jackson Area Chamber of Commerce, Downtown Development Corporation, Southwest Tennessee Development District, City of Jackson and area universities to develop and launch a Center for Entrepreneurship in Jackson. This center will serve as a physical entrepreneurial incubator as well as potentially offer a business accelerator program.

During the remainder of 2011 and early 2012, partners will work to (1) identify the best location within the region for a Center for Entrepreneurship; (2) identify funding sources for the center; (3) determine the layout of the center; and (4) determine overall programming and staff requirements for the center. Proven entrepreneurs and business leaders will be identified and invited after-hours to coach young entrepreneurs in best practices and business fundamentals. An Entrepreneur Training Program will be launched to provide the knowledge and skills necessary to create a successful business. Participants will receive personalized mentoring and hands-on technical assistance from Entrepreneur Center staff. The Center will also provide a creative atmosphere, technology and tons of coffee. The Center will focus on key sectors in which the region has a competitive advantage including light manufacturing, construction services, health care, transportation and logistics, and technology.

## **Workforce Development**

A skilled workforce is a critical factor in site selection decisions as well as in the decisions of existing employers to expand their operations. ECD must work with its local education and training partners to ensure the training needs of existing industries are met as well as individuals are trained for jobs of the future.

ECD will utilize information gleaned from industry visits to gather information on training needs in the region. In addition, LWIAs 11 and 12 have just released an Advanced Manufacturing Sector Analysis that will provide additional data on high demand occupations in the region. Using this data, ECD will partner with the local workforce investment



boards, technology centers, community colleges, universities and K-12 partners to identify the best ways to utilize state and federal training dollars to meet these emerging training needs. ECD will ensure interactions with the workforce investment boards on at least a quarterly basis to ensure this coordination occurs.

ECD will attend quarterly meetings of the local workforce investment board and meet with the board on an as needed basis. These meetings will be focused on enhancing coordination between the workforce development needs of existing businesses, especially those that ECD is meeting with, and the region's workforce development programs.

## ACTION ITEMS

**Action Item #1:** ECD regional staff will work with local partners to help market the West Tennessee Megasite and to facilitate communication concerning progress on the project's infrastructure.

ECD regional staff, the Megasite Authority and the Jackson Regional Partnership will work together to develop a dedicated marketing website for the Megasite, which will include information about the region's assets and labor pool. The Megasite Authority will also develop a sheltered area at the site that can be used for prospect presentations. ECD staff will continue to serve as an advocate in state government for the project, urging that infrastructure for the Megasite is built in a timely manner.

**Action Item #2:** ECD regional staff will meet with the top 100 employers in the region by June 2012.

ECD staff will coordinate visits to these companies with the local economic developer and/or appropriate power distributor to ensure that all key partners meet with the company at one time. The purpose of each meeting will be to glean data on the company's current business prospects and identify challenges and potential opportunities. From the visits, it is hoped expansion opportunities will be identified as well as opportunities to help existing companies remain competitive by taking advantage of various federal, state, local and TVA incentive programs. Supplier recruitment opportunities will also be identified.

**Action Item #3:** ECD regional staff will cultivate a relationship with each local power distributor to identify potential plant expansion opportunities.

Since local power distributors interface constantly with each and every industrial or distribution client in their service areas, many times distributors are the first to know of issues related to downsizing or expansions. By engaging the local power distributor as a critical partner, ECD will become aware of downsizing or expansion opportunities earlier, when there is a better chance of being able to affect the outcome. Additionally, whereas ECD typically meets with plant and human resource managers, the power distributors often meet with plant engineers and maintenance workers, which will provide an additional source of information about the company's current business status.

**Action Item #4:** ECD will work with public and private sector partners across the region to launch a regional entrepreneur center by December 2012.

Partners across the region have committed to developing and launching a regional entrepreneur center. ECD is working with these partners to build support for such an effort. Specifically, ECD regional staff is working with local economic developers in the region to help identify potential board members, investors, and mentors for the entrepreneurial center. ECD will work with local partners to identify mechanisms for keeping the center financially sustainable long-term.

**Action Item #5:** ECD regional staff will meet quarterly with the local workforce investment board to enhance coordination between businesses' needs and workforce development programs.

ECD will attend quarterly meetings of the local workforce investment board and meet with the board on an as needed basis. These meetings will be focused on enhancing coordination between the workforce development needs of existing businesses, especially those that ECD is meeting with, and the region's workforce development programs. ECD's regional staff and the local workforce investment board will work projects in concert so the appropriate funding mechanism can be utilized for each project. Additionally, ECD will continue to promote the Tennessee Career Centers, which offer exceptional services by maintaining a pool of resumes of unemployed individuals looking for work opportunities.

## SOUTHWEST REGIONAL PARTNERS

- Connected Tennessee
- Delta Regional Authority
- Local Chambers of Commerce
- Local Utility Districts
- Startup Tennessee
- Southwest Tennessee Development District
- Southwest Tennessee Educational Pathways
- Tennessee Career Centers
- Tennessee Department of Agriculture
- Tennessee Department of Economic and Community Development
- Tennessee Department of Environment and Conservation
- Tennessee Department of Labor and Workforce Development
- Tennessee Department of Tourist Development
- Tennessee Department of Transportation
- Tennessee Small Business Development Centers
- Tennessee Technology Centers
- Tennessee Valley Authority
- Tourism Association of Southwest Tennessee
- University of Tennessee Center of Industrial Services
- University of Tennessee Municipal Technical Advisory Service
- University of Tennessee County Technical Assistance Service
- U.S. Department of Agriculture Rural Development
- U.S. Economic Development Administration
- U.S. Small Business Administration
- West Tennessee Industrial Association